



NEWS / LEGISLATION

**FINANCIAL INSTITUTIONS COMMITTEE
State Legislative Subcommittee
Pending Legislation of Potential Interest to the Committee**

February 13, 2002

Submitted by Bob Mulford

[ASSEMBLY](#) / [SENATE](#)

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Assembly Bills

A.B. 1175 (Nation, Oropeza) was introduced 1/10/02 to express the intent of the Legislature to enact the Financial Privacy and Disclosure Act of 2002, to give consumers better notice of their rights, and more meaningful options, than under GLB. This is a spot bill, intended to save a place for a financial privacy bill that is consistent with Governor Davis' views.

A.B. 1805 (Kehoe) would amend CC 1785.33 to allow lawsuits (for violating provisions re consumer credit reporting agencies) within 2 years after discovery of the violation (instead of 2 years after the plaintiff knew or should have known). No change to the overall limit of 7 years from the violation except where the defendant materially and willfully misrepresented information required to be disclosed. Referred to the Committees on Judiciary and Banking & Finance, 2/04/02.

Senate Bills

S.B. 97 (Sher) would clean up the Uniform Electronic Transaction Act. Last amended 1/16/02. See email from Mark Moore.

S.B. 773 (Speier) The Financial Information Privacy Act of 2002, was recently moved to the inactive file. According to Senator Speier, she did this to see when A.B. 1175 (above) will look like. She retains the discretion to resuscitate S.B. 773 if she feels she cannot live with A.B. 1175.

S.B. 1237 (Speier) would add Commercial Code 4105.5 to prevent a bank from using mother's name as a key identifier to allow an individual to establish or access an account. Any such identifier established in an existing account prior to 1/1/03 would have to be deleted or replaced by 1/1/04. However, the bill would not require banks to physically delete mothers names from existing account documentation.

Senator Speier explained that the motivation behind this bill is that mother's name is too easy to fraudsters to obtain on the Internet.

S.B. 1254 (Alpert) would amend Penal Code 530.5 to expand "personal identifying information" for purposes of the identity theft crime. [It would include just about everything except mothers' names. The bill was referred to the Committee on Public Safety on 1/17/02.

S.B. 1277 (Murray) would amend F.C. 867(a) to require that deposits of cashier checks, certified checks, teller's checks, or depository checks be available for withdrawal on the second business day, even for amounts above \$5,000. This bill was referred to the Committee on Banking etc on 1/14/02.

I would think that this would be a matter of serious concern to all banks; the Legislature needs to be apprised that, while cashiers checks etc. are almost never returned for insufficient funds and are only rarely returned because of stop pay notices, there is a serious problem with counterfeit checks, since it is all too easy to make up your own checks on a PC. In the Expedited Funds Availability Act of 1987, Congress mandated next day availability for cashier's checks etc. without limit. Banks were able to persuade Congress in 1992 to put in a \$5000 cap, precisely because of the problems with counterfeit cashiers checks.